

# Recommended FY 14 Budget and FY 14-19 Plans

# Core Ideas

- The revenue picture is brightening, but recovery is still likely to be slow.
- Our Operating Plan is close to balanced, but not quite in FY 15 and FY 16.
- The upside is starting to outweigh the downside.

# FY 13 Revenue

# FY 13 Revenue Forecast

- FY 13 Budget - \$361.7M
- FY 13 Projection - \$366.5M
- Change – \$4.8M

# FY 13 Revenue Forecast

Property Tax	(\$1.5)
Income Tax	4.5
Recordation	0.8
Other	1.0
Total	\$4.8

# FY 13 Year-End Projection

Revenues	\$4.8M
Reserve for Contingency	\$3.5M
Other Expenditure Savings	\$1.4M
Year-End Balance	\$9.7M

# FY 14-19 Revenue

# FY 14-19 Recommended Revenue

In Millions

FY 14	FY 15	FY 16	FY 17	FY 18	FY 19
\$357.4	\$362.1	\$370.1	\$383.1	\$394.6	\$405.7



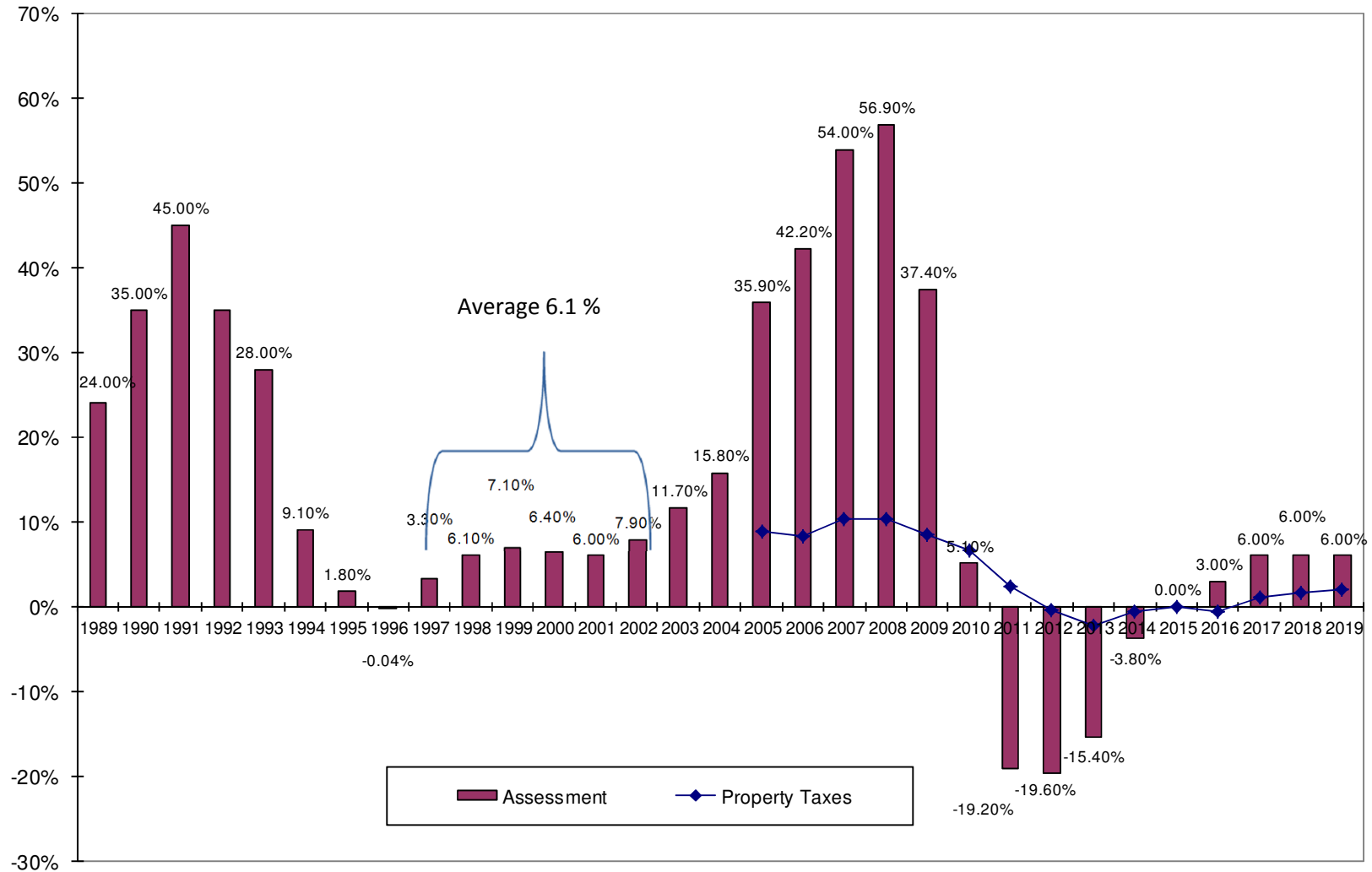
# FY 14-18 What Changed?

	FY 14	FY 15	FY 16	FY 17	FY 18
Surplus	\$1.5				
Property	(2.5)	(2.8)	(4.1)	(5.4)	(7.3)
Income	1.4	0.6	(0.3)	(1.3)	(2.4)
Record.	1.3	0.5	0.0	0.0	0.0
Interest	0.0	(2.0)	(3.0)	(0.3)	(0.3)
All Others	(0.1)	(0.2)	0.2	0.2	0.1
Total	\$1.7	(\$3.7)	(\$7.2)	(\$6.8)	(\$9.9)

# Total Property Tax

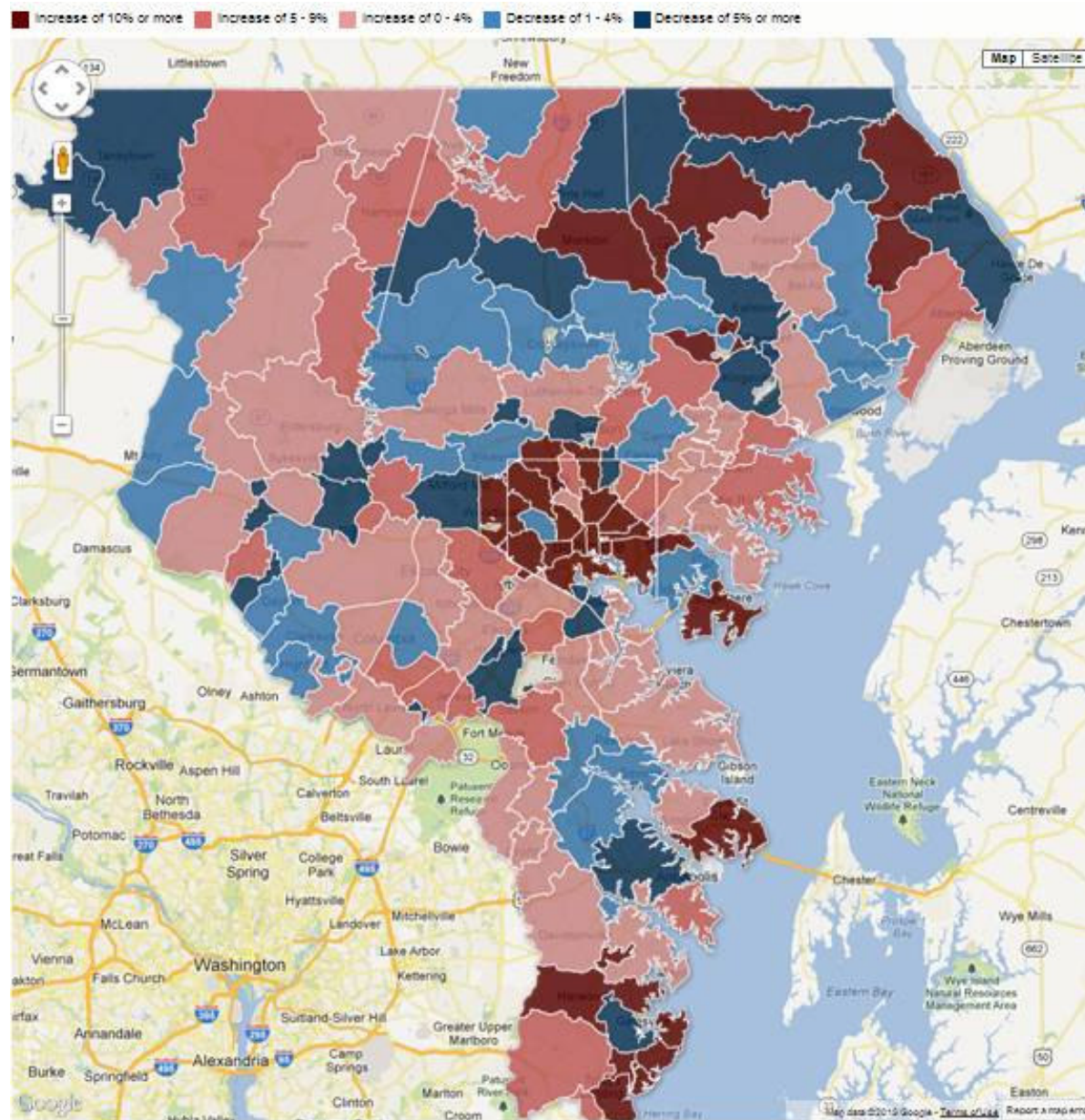
55% of Budget

# Assessment History and Forecast



# Assessments

	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19
<b>Group 1 – South Carroll</b>	<b>(3.8%)</b>	0.00%	0.00%	<b>2.00%</b>	2.00%	2.00%
<b>Group 2 – North Carroll</b>	0.00%	<b>0.00%</b>	0.00%	0.00%	<b>2.00%</b>	2.00%
<b>Group 3 – Westminster Taneytown</b>	0.00%	0.00%	<b>1.00%</b>	1.00%	1.00%	<b>2.00%</b>
<b>Annual Growth</b>	<b>(0.79%)</b>	<b>0.00%</b>	<b>0.33%</b>	<b>1.00%</b>	<b>1.67%</b>	<b>2.00%</b>



Source: Baltimore Sun analysis of data from Metropolitan Regional Information Systems' RealEstate Business Intelligence. com.

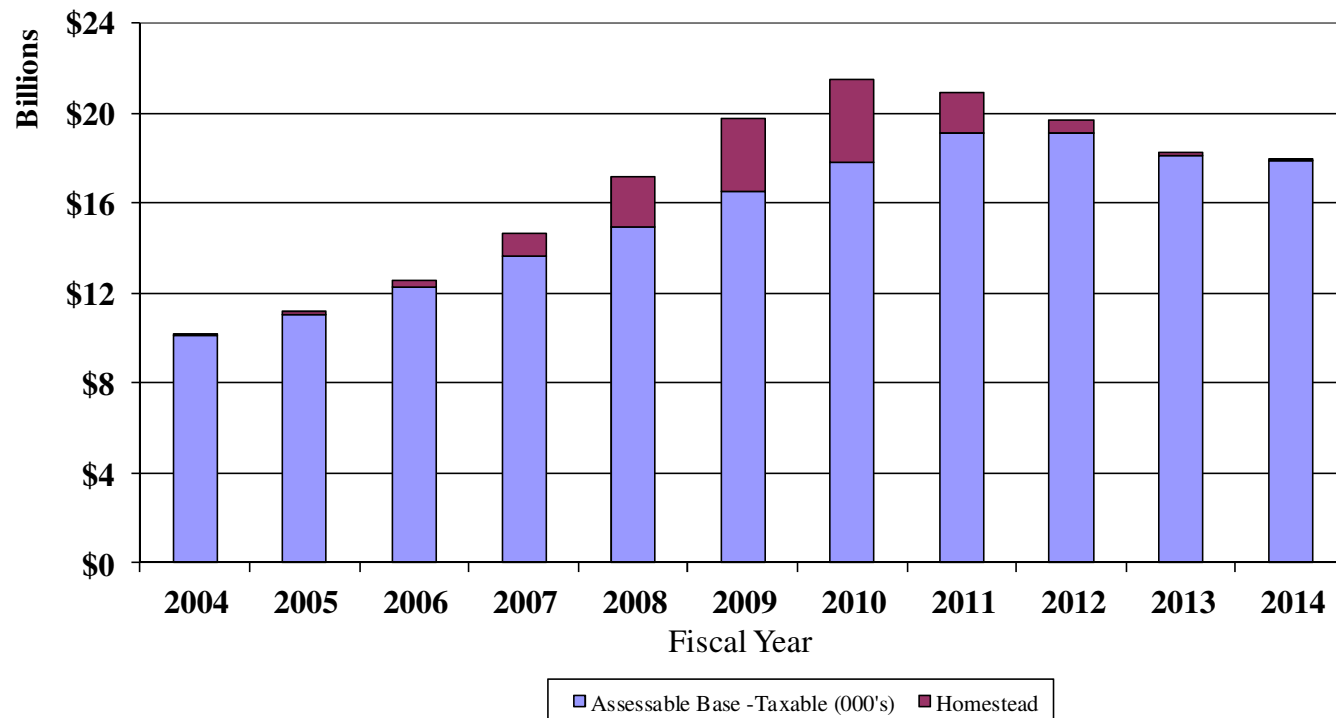
# Total Property Tax

- FY 12 \$200.6M or (2.6%)
- FY 13 forecast \$196.9M or (1.8%)
- FY 14 forecast \$195.6M or (0.7%)

# Total Property Tax

	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19
FY 13-18 Op Plan	\$198.2	\$198.0	\$198.3	\$201.7	\$206.9	
FY 14-19 Op Plan	195.6	195.2	194.2	196.3	199.6	203.6
Change	(\$2.6)	(\$2.8)	(\$4.1)	(\$5.4)	(\$7.3)	

# Homestead's Impact to the Assessable Base

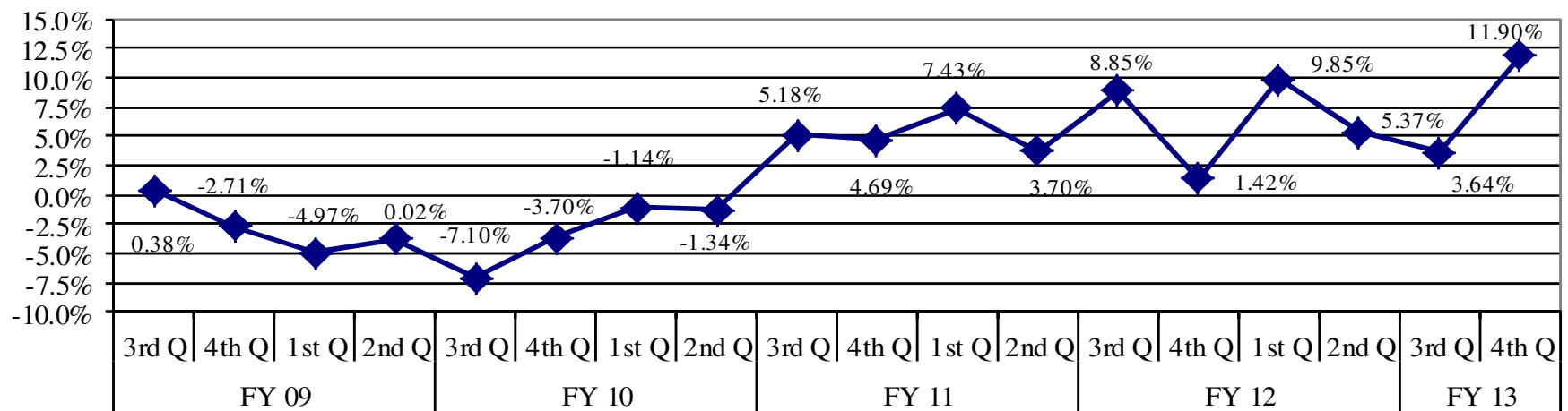




# Income Tax

34% of Budget

# Income Tax Distributions



# Income Tax

- FY 12 \$112.9M or 6.9%
- FY 13 forecast \$118.6M or 5.1%
- FY 14 forecast \$120.7M or 1.8%

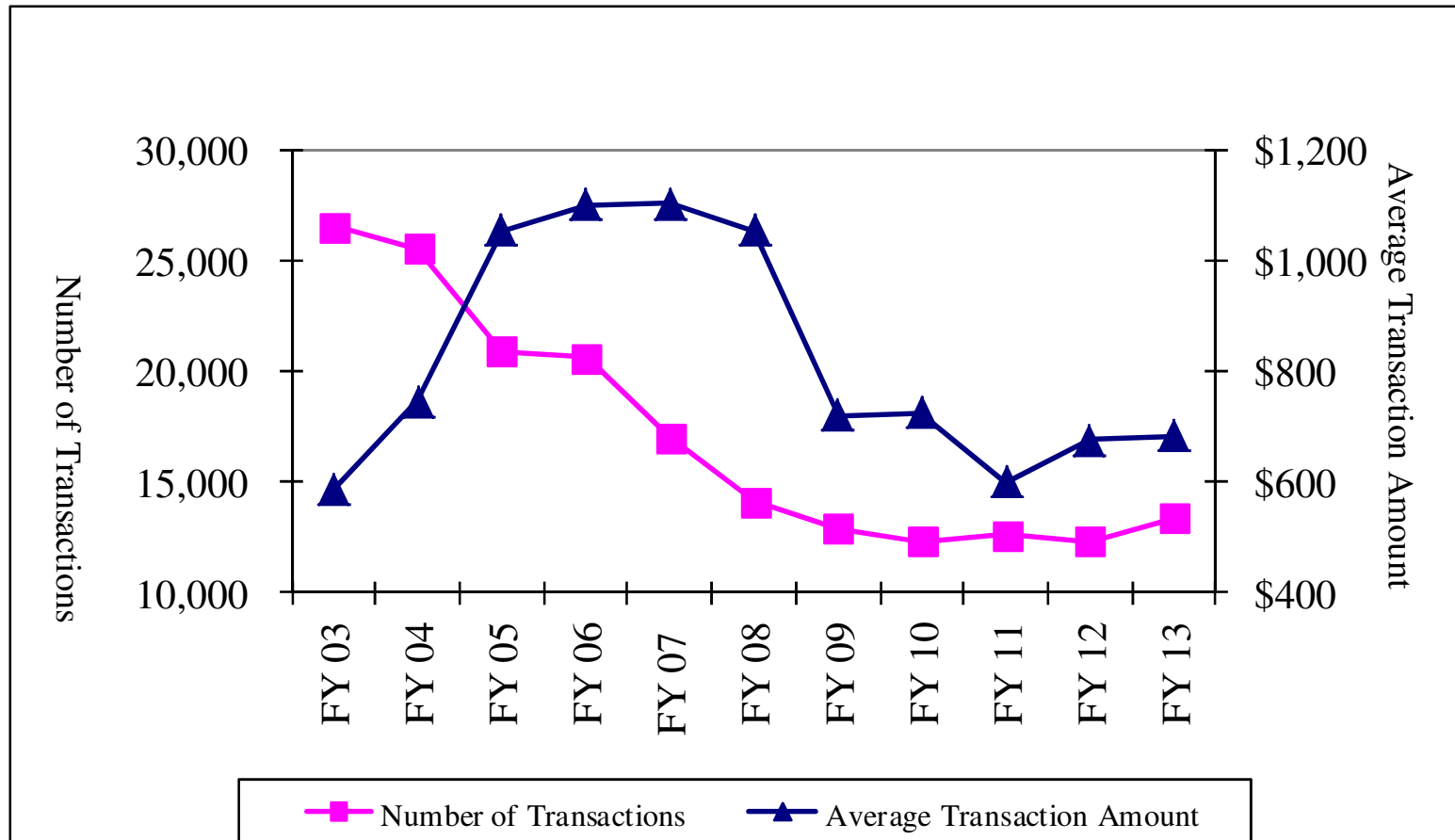
# Income Tax

	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19
FY 13-18 Op Plan	\$119.4	\$125.6	\$132.4	\$139.7	\$147.3	
FY 14-19 Op Plan	120.7	126.1	132.1	138.4	144.9	151.9
Change	\$1.3	\$0.5	(\$0.3)	(\$1.3)	(\$2.4)	

# Recordation Tax

3% of Budget

# Recordation Activity



# Recordation

- FY 12 \$8.5M or 10.4%
- FY 13 forecast \$8.8M or 2.7%
- FY 14 forecast \$9.8M or 11.4%

# Recordation Tax

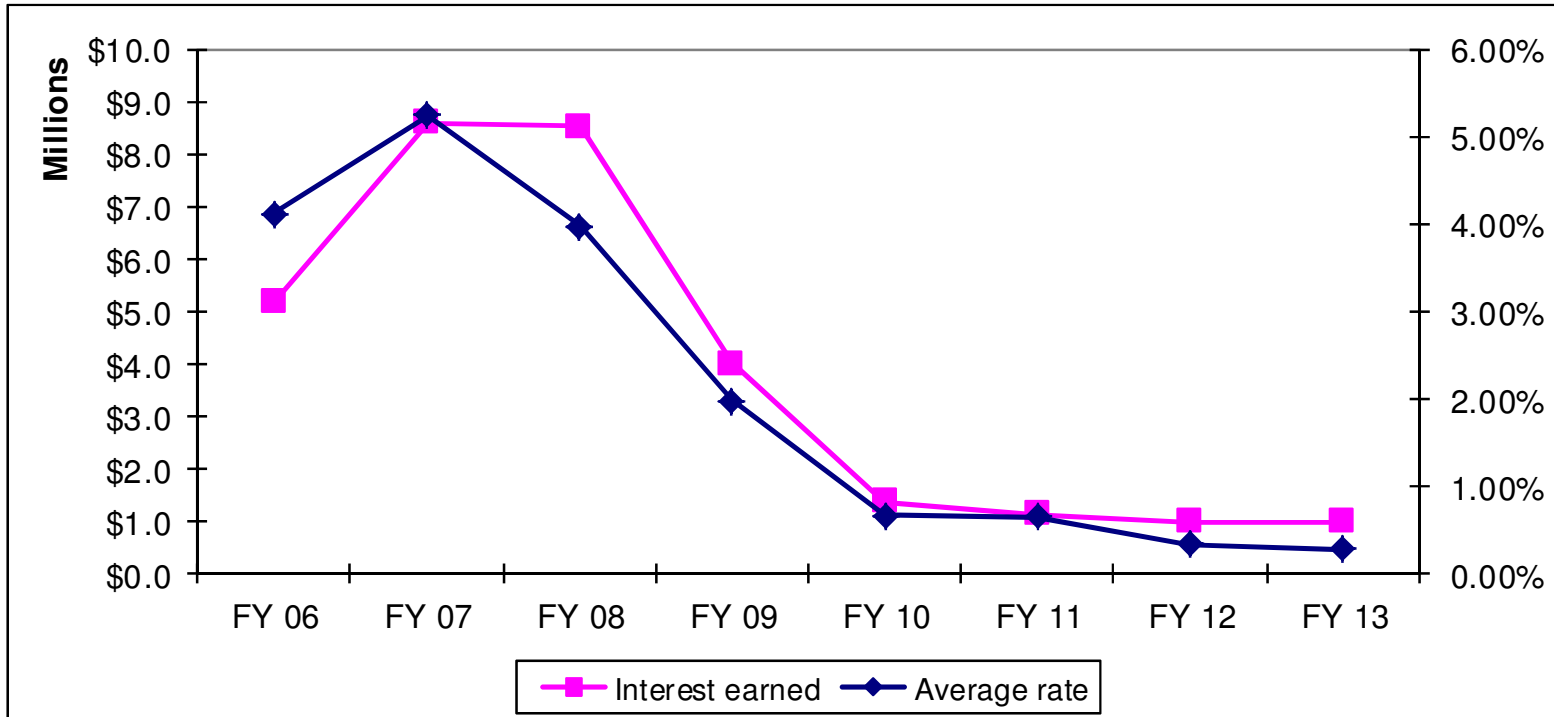
	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19
FY 13-18 Op Plan	\$8.5	\$10.0	\$11.5	\$13.0	\$14.5	
FY 14-19 Op Plan	9.8	10.5	11.5	13.0	14.5	14.5
Change	\$1.3	\$0.5	\$0.0	\$0.0	\$0.0	



# Interest Income

Less Than 1% of Budget

# Interest



# Interest

- FY 12 \$1.0M or (12.9%)
- FY 13 forecast \$1.0M or flat
- FY 14 forecast \$1.0M or flat

# Interest Income

	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19
FY 13-18 Op Plan	\$1.0	\$3.0	\$6.0	\$6.3	\$6.6	
FY 14-19 Op Plan	1.0	1.0	3.0	6.0	6.3	6.6
Change	\$0.0	(\$2.0)	(\$3.0)	(\$0.3)	(\$0.3)	

# What Could Make Things Better?

- Continued improvement in home sales and prices
- New building
- Higher employment
- Rising incomes
- Return of more typical interest rates

# What Could Make Things Worse?

- Slowdown in the recovery of the housing market
- Slowdown in employment and income growth
- Decisions to extend holding down interest rates

# The FY 14-19 Operating Plan

# FY 09-FY 14

<b>FY 09 Budget</b>	<b>FY 10 Budget</b>	<b>FY 11 Budget</b>	<b>FY 12 Budget</b>	<b>FY 13 Budget</b>	<b>FY 14 Budget</b>	<b>% Change</b>
\$353.0	\$354.5	\$349.0	\$350.3	\$361.7	\$357.4	(1.6%)



# Annual Revenue History

	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14
Annual Revenue	\$331.5	\$327.7	\$329.1	\$329.4	\$331.7	\$338.2
Below the Line	24.5	26.8	19.9	20.9	30.0	19.2
Total	\$353.0	\$354.5	\$349.0	\$350.3	\$361.7	\$357.4

# Surplus

- What does it mean to have a surplus?
- What can you/should you do with a surplus?

# FY 12 Surplus

- Total - \$14.8M or 4.2%
- \$5.3M from unbudgeted revenue
  - \$4.9M from Income Tax
- \$9.5M from unspent budget
  - \$3.2M from Reserve for Contingencies
  - \$3.7M from Public Works
    - mild winter weather
    - fuel and utilities costs
  - \$2.6M from remaining budgets

# Possible Uses of FY 12 \$10M Surplus

- Increase FY 14 Transfer to Capital
- Fund additional infrastructure projects
- Technology
- Debt reduction
- LOSAP
- OPEB
- One-year tax rebate
- Bonuses
- A long list of other things

# Op Plan Balances

In millions		FY 14	FY 15	FY 16	FY 17	FY 18
Adopted Op Plan		\$0.0	\$0.0	\$4.7	\$9.7	\$18.0
%		0.0%	0.0%	1.2%	2.5%	4.5%

In millions		FY 14	FY 15	FY 16	FY 17	FY 18
Working Op Plan		\$0.6	(\$2.1)	(\$1.6)	\$4.0	\$9.7
%		0.2%	(0.6%)	(0.4%)	1.0%	2.5%

# Revenue Changes

	FY 14	FY 15	FY 16	FY 17	FY 18
Surplus	\$1.5				
Property	(2.5)	(2.8)	(4.1)	(5.4)	(7.3)
Income	1.4	0.6	(0.3)	(1.3)	(2.4)
Record.	1.3	0.5	0.0	0.0	0.0
Interest	0.0	(2.0)	(3.0)	(0.3)	(0.3)
All Others	(0.1)	(0.2)	0.2	0.2	0.1
Total	\$1.7	(\$3.7)	(\$7.2)	(\$6.8)	(\$9.9)

# Pension Shift

FY 14	FY 15	FY 16	FY 17	FY 18	FY 19
\$5.1	\$5.7	\$6.7	\$7.0	\$7.4	\$7.8

# What is in the Op Plan?

- BOE funding held at \$164M throughout the plan
- Generally, salary and operating growth of 3% in FY 15-19
- Most governmental partners growing at 3%
- Medical growth of 8% in FY 15, then 9% FY 16-19
- OPEB unfunded liability plan continues
- Operating impacts of the new courtroom
- Completion of law enforcement transition
- Non-profits decreasing 5%/year



# Positions Included in the Op Plan

- FY 14 Budget – Completion of Transition
  - 5 Certified Officers in Sheriff Services
- FY 15 – Addition of Courtroom
  - 3 Court Security Officers
  - Court Reporter
  - Increased hours for Bailiffs
- No New Positions Planned in FY 16-19

# Need to be Talked About

- Circuit Court if a 4<sup>th</sup> judge is added
  - Admin Support for the Jury Commissioner
  - Judicial Assistant
- Carroll County Fiber Network EF
  - Utility Marker
  - CCFN use would be paid by CCFN

# Need to be Talked About

- TV Production
  - PT Media Producer
  - Funded from Cable Franchise Fee
- LUPD
  - Watershed Grants Analyst

# Strong Arguments

- Sheriff
  - Crime Analysis Technician
  - Crime Scene Supervisor
  - Detention Center Correctional Specialist
- LUPD
  - Water Resource Supervisor

# Strong Arguments

- Board of License Commissioners
  - PT Inspector
- Election Board
  - IT Specialist

# The Starting Point

In Millions	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19
Rev	\$357.4	\$362.1	\$370.1	\$383.1	\$394.5	\$405.7
Exp	356.8	364.2	371.7	379.1	384.8	391.3
Balance	\$0.6	(\$2.1)	(\$1.6)	\$4.0	\$9.7	\$14.4
% of Budget	0.2%	(0.6%)	(0.4%)	1.0%	2.5%	3.6%

# Starting Point

- The Recommended Budget is always a starting point, but...
- We usually give you a balanced starting point.
- FY 15 and FY 16 will need to be balanced.

# Op Plan Balances – Transfer to Capital

In millions		FY 14	FY 15	FY 16	FY 17	FY 18
Working Op Plan		\$0.6	(\$2.1)	(\$1.6)	\$4.0	\$9.7
%		0.2%	(0.6%)	(0.4%)	1.0%	2.5%

In millions		FY 14	FY 15	FY 16	FY 17	FY 18
Working Op Plan		\$0.6	\$0.1	\$0.6	\$4.0	\$9.7
%		0.2%	0.0%	0.2%	1.0%	2.5%



# FY 14 Operating Budget

# Benefit Allocations

- FY 12 Budget and or earlier were centrally budgeted.
- Starting in FY 13 benefits are allocated to individual budgets and shown on most documents.
- Operating Budget change on the slides is without benefit allocations to show underlying change in budgets

# Carroll County Public Schools

FY 14

# Public Schools

- \$164.0M – no increase from FY 13
- MOE – \$160.9M
- Total Budget – \$330.2M
  - State decrease of \$0.8M or 0.6%
  - Federal decrease of \$0.04M or 0.3%

# School Debt Service

- \$13.8M – an increase of \$0.7M or 0.5%
  - Paid with the dedicated income tax

# Carroll Community College and Carroll County Public Library

FY 14

# Community College

- \$7.1M – an increase of \$0.2M or 3.0%
- \$267,000 State increase
- Total Budget - \$29.0M

# Library

- \$7.7M – an increase of \$29,000 or 0.37%
- State Funding is reduced \$17,500
- Total Budget - \$9.0M



# Law Enforcement and Corrections

FY 14

# Resident Trooper

- \$64,000 – a decrease of \$2.5M or 97.4%

# Sheriff Services

- \$7.4M – an increase of \$0.6M or 8.5%
- 5 new Deputies added as the last part of the transition

# Detention Center

- \$6.6M – an increase of \$0.2M or 3.2%

# Courts and State's Attorney

- Courts
  - \$2.0M, an increase of \$3,000 or 0.1%
- State's Attorney
  - \$2.4M a decrease of \$16,000 or 0.6%

# VESA/EMS

- VESA
  - \$6.9M – an increase of \$0.2M or 3.0% increase
- EMS
  - \$3.9M – an increase of \$0.1M or 3.0%

# Animal Control

- \$0.8M – an increase of \$7,000 or 0.9%
  - \$37,000 replacement van

# Commissioner Budgets



# Public Works

- \$25.5M – an increase of \$0.3M or 1.0%

# Citizen Services

- Citizen Services Admin/Aging
  - \$1.0M – an increase \$35,700 or 3.7% with offsetting revenue
- Recovery Support Services
  - \$1.0M – an increase of \$0.2M or 25%
- Recreation and Parks
  - \$2.6M – an increase of \$53,000 or 2.1% with almost \$30,000 of offsetting revenue

# Administrative Services

- Human Resources
  - \$0.6M – a decrease of \$8,000 or 1.3%
- Public Safety
  - \$3.6M – an increase of \$0.1M or 3.4%
- Technology Services
  - \$3.6M – an increase of \$0.2M or 5.3%

# Other Commissioner Budgets

- Comptroller
  - \$2.5M - a decrease of \$0.4M or 14.0%
    - State decreased property assessment charge from 90% to 50%
- Management and Budget
  - \$2.8M – a decrease of \$3.6M or 56.5%
    - Rebalancing the ISF in Risk in FY 13
- County Attorney
  - \$0.9M, a decrease of \$0.3M or 25.0%
    - FY 13 increase in outside legal counsel of \$300K

# Other Commissioner Budgets

- Land Use, Planning and Development
  - \$2.6M – a decrease of \$1,500 or 0.1%
- Economic Development
  - \$3.3M – an increase of \$10,300 or 0.3%

# Non-Profit Service Providers

# Non-Profit Service Providers

- \$2.5M – a decrease of \$0.1M or 5.0%
- Many of the non-profits are provided space by the County

# Debt Service

- County (non-BOE) bonds - \$25.3M, an increase of \$38,000 or 0.1%
- IPA debt service - \$1.9M, an increase of \$0.3M or 19.0%



# Pensions

- \$3.3M – a decrease of \$0.1M or 0.3%
  - \$2.4M for Civilian Pension Plan
  - \$0.9M for Certified Law Officers Pension Plan
    - 5 new positions, all related to the law enforcement transition

# OPEB

- \$9.1M – an increase of \$0.6M or 7.3%
  - Medical cost growth
  - \$250,000 additional towards unfunded future liability

# Health Costs

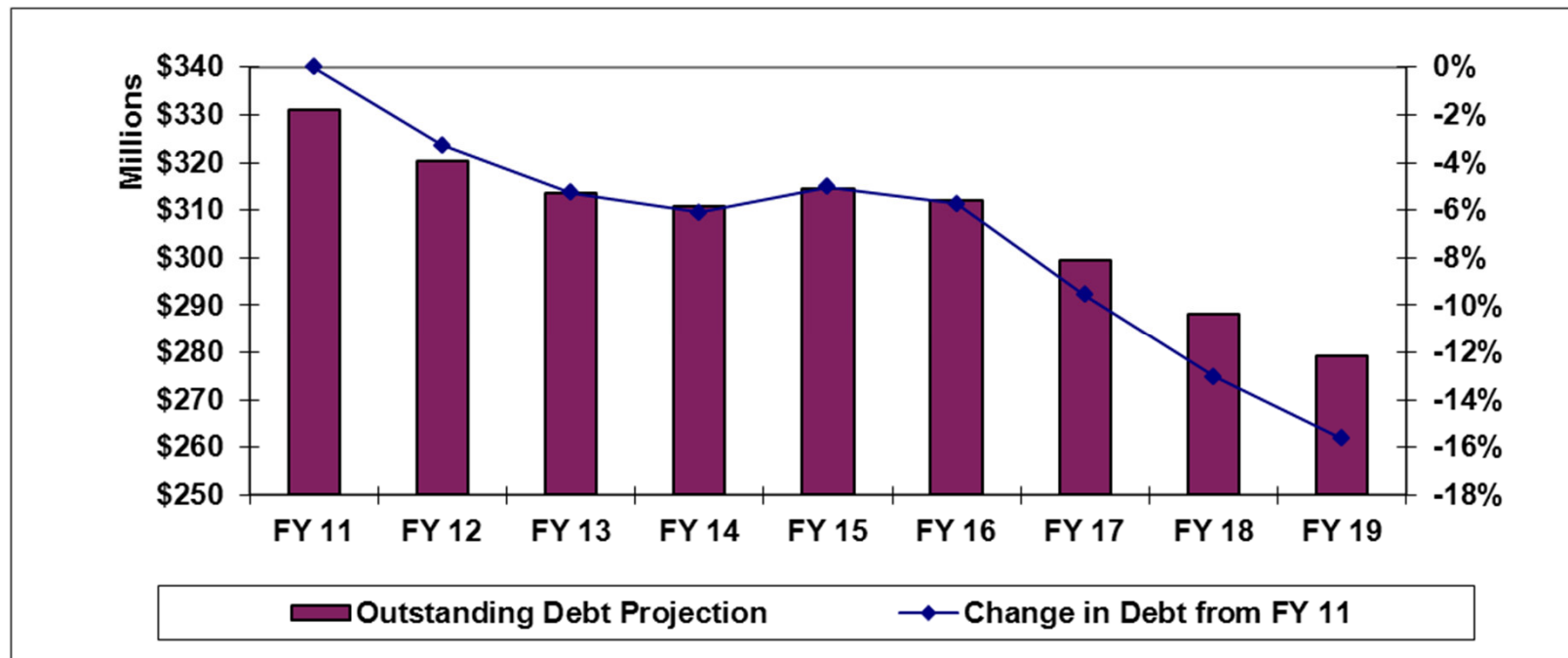
- \$17.4M – an increase of \$9.1M or 176.1%
  - 5 new positions, all related to the law enforcement transition
  - Medical cost growth
  - FY 13 Balancing of the ISF

# Long-Term Liabilities

# Long-Term Liabilities

- Bonded debt
- IPAs
- Other debt
- Pensions
- OPEB

# Bonded Debt Reduction



# Outstanding Bonded Debt

in Millions	New Debt Issued	Principal Paid Down	Outstanding Debt	Debt Reduction Since FY 11
FY 11	\$22.0	\$24.5	\$331.1	
FY 12	18.3	29.1	320.3	3.3%
FY 13	20.7	27.6	313.4	5.3%
FY 14 Recomm	26.1	28.9	310.6	6.2%
Total	\$87.1	\$110.1		

# Projected Outstanding Debt

in Millions	New Debt to be Issued	Principal to be Paid Down	Projected Outstanding Debt	Debt Reduction Since FY 11
FY 14 Recomm	\$26.1	\$28.9	\$310.6	6.2%
FY 15	33.5	30.0	314.1	5.1%
FY 16	28.5	30.9	311.7	5.9%
FY 17	18.7	31.3	299.1	9.7%
FY 18	19.2	30.7	287.6	13.1%
FY 19	20.4	29.0	279.0	15.7%
Total	\$146.4	\$180.8		



# Debt Planned to be Issued

	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19
On-going projects	\$20.1	\$19.9	\$18.0	\$18.7	\$19.2	\$20.4
One-time projects	6.0	13.6	10.5			
Total	\$26.1	\$33.5	\$28.5	\$18.7	\$19.2	\$20.4

# IPA Commitments and Current Plans

## Known IPA Interest to Landowners

- Program started in FY 09
- \$18.0M in interest payments from FY 14-33

## FY 13 Planned Purchases

- FY 13 anticipated IPA transactions will result in additional interest of \$4.8M from FY 14-34

# Pension Funds

- Carroll County Employee Pension Plan
  - Unfunded liability \$2.2M
  - Funded ratio of 94.6%
- Certified law Officers
  - Unfunded Liability \$2.4M
  - Funded ratio of 59.6%

# LOSAP

- Unfunded liability \$1.3M
- Funded ratio of 84.1%
- One-time funding use

# County OPEB

- Unfunded liability \$106.7M
- Funding ratio of 19.6%
- ARC \$10.5M
- FY 14 funding \$9.6M
- Percentage contributed 91.7%

# Non-Debt Long-Term Liabilities

OPEB Unfunded Liability	\$106.7M
Pension Unfunded Liability	4.6M
LOSAP Estimated Unfunded Liability	1.3M
Total Existing Long-Term Liabilities	\$112.6M

# Long-Term Debt Service

County	\$225.5M
Schools	154.1M
IPAs	18.0M
Total	\$397.6M

# Total Long-Term Liabilities

Non-Debt	\$112.6M
Bonded Debt Service	379.6M
IPAs	18.0M
Total	\$510.2M



FY 14-19 CIP

# FY 14 Capital

Fund	FY 13 Budget	FY 14 Rec.	Change
Capital	\$62.2	\$64.8	\$2.7
Airport	2.0	0.0	(2.0)
Solid Waste	0.6	3.7	3.0
Utilities	4.6	8.3	3.7
Septage	0.2	3.0	2.8
Total	\$69.6	\$79.8	10.2

# FY 14 Capital

Fund	FY 13 Budget	FY14 Rec.	Change
Local	\$51.3M	\$55.6M	\$4.3M
State	7.5M	9.2M	1.7M
Federal	0.4M	0.0M	(0.4M)
Other	3.0M	0.0M	(3.0M)
Total	\$62.2M	\$64.8M	\$2.6M

# Schools

- New Construction - None
- Systemics
  - Roofs
  - HVAC
  - Paving
  - Energy Efficiency
- Charles Carroll Elementary School

# Conservation

- Agricultural Preservation
  - Local Program - \$1.3M
  - State Matching Program - \$1.3M
- Water Quality - \$3.1M
  - Environmental Compliance
  - NPDES
- Water Development - \$0.7M

# Public Works

- Roads – \$12.2M
  - Pavement Management – \$11.0M
  - Pavement Preservation - \$1.1M
  - Small Drainage Structures - 0.08M
- Bridges – \$0.1M
  - Bridge Maintenance and Structural Repairs
  - Cleaning and Painting
  - Inspections, Repairs, and Cleaning/Painting of Structural Steel (on-going)

# Culture and Recreation

- Funding
  - Concerns about POS
  - Impact fees
  - Limited General Fund dollars
- Tot Lot Replacement
- Development of a new park
  - Westminster (Hook Road)
- Union Mills Restoration

# General Government

- 911 Radio System
- Circuit Court - Courtroom
- Public Safety Training Center
- Mt. Airy Library Improvements



# Six-Year CIP - Major Drivers

- Maintaining Infrastructure
  - Roads and Bridges
  - Roofs and HVACs
  - Emergency Communications/911 System
  - Technology
- Complying with Environmental Regulation
  - NPDES and Storm water Management
- Economic Development
  - Water Development

# Enterprise Funds

# Firearms Facility EF

- Operating
  - \$160,090 – an increase of approximately \$81,000 or 103.2%
    - Dry Vault Restroom \$25,000
    - Paving park road, parking lot and walkway \$31,500
- Capital
  - No projects

# Fiber Network EF

- Operating
  - \$259,535— an increase of approximately \$172,000 or 440.0%
    - Miss Utility Fiber Marking \$80,000
    - Post-make ready costs \$140,000
- Capital
  - No projects

# Septage Enterprise Fund

- Operating
  - \$0.7M – a increase of approximately \$0.1 or 16.45%
- Capital
  - Facility Improvements \$3.0M

# Airport Enterprise Fund

- \$0.9M- an increase of \$41,000 or 5.0%
- Revenues
  - Increase in fuel and hangar rental
- Capital
  - Grounds and Maintenance Equipment of \$25K per year.

# Solid Waste Enterprise Fund

- Operating
  - \$9.1M – a decrease of \$2.0M mainly due to a one-time increase in funding in FY 13
  - Tip Fee recommended to remain at \$62/ton
  - Transfer rate projected to increase from \$55.63 to \$57.03/ton
- Capital
  - \$3.7M – To cap cells #1 and 2

# Utilities Enterprise Fund

- Operating
  - \$10.1M – an increase of \$0.3M or 3.31%
- Capital
  - Enhanced Nutrient Removal (ENR) project at the Freedom Wastewater Treatment Plant
  - Utilities Asset Management
  - System Maintenance



So Where Does That Leave Us?

Now What?

# Now What?

- We have to balance FY 15 and FY 16.
- How does the Board come together on all of these actions?

# Now What?

- Agency hearings
  - March 21
  - March 26
  - March 28
  - April 2
  - April 4

# Now What?

- Proposed work sessions
  - April 9
  - April 11
  - April 16
  - April 18
  - April 23
- Release Commissioners' Proposed Budget  
April 25

# Now What?

- Community Budget presentations
  - April 25 Eldersburg Library
  - April 29 County Office Building
  - April 30 Taneytown Senior Center
  - May 1 North Carroll Library
  - May 2 Mount Airy Library

# Now What?

- Public Hearing on the Budget May 9
- Adopted work sessions
  - May 14
  - May 16
  - May 23
- Budget adoption May 28